

# Why Should You Invest in Buying Real Estate in Fayetteville?

## **Rental Income**

- Your student could be earning equity in a home instead of paying rent to someone else
- Rental income from roommates can help cashflow the investment



## **Tax Advantages**

- There are tax advantages to owning a home in Arkansas as property taxes and mortgage interest are deductible in most instances
- Costs to maintain the property as well as depreciation are also considered business expenses if you set up the residence as an investment/rental property. (Consult your accountant for professional advice)
- Visits to Fayetteville to check on or maintain the property may also be deductible expenses

## **Value Increases**

- After your student graduates, you can rent it to other students or sell it (most homes appreciate in Northwest Arkansas every year)



# Financial Case For Buying Real Estate in Fayetteville, AR

## Assumptions:

- Student attends college for 4 years
- Purchase a 3 bedroom, 2 Bath home for \$374,000
- Finance the home for 30 years at 6.5% interest
- Appreciation of 3% per year
- 3 Roommates live in the home
- Assume a down payment of 20% for this calculation

### Loan information:

Mortgage amount: \* (?) \$299,000

Term in years: \* (?) 30 years

Interest rate: \* (?) 6.5%

Annual property taxes: \* (?) \$1,800

Annual home insurance: \* (?) \$2,000

Monthly payment (PI): (?) \$1,889.88

Monthly payment (PITI): (?) \$2,206.55

Report amortization: (?)  Annually  
 Monthly

All numbers can be adjusted for your particular case. There are several online mortgage calculators! We even provide one for you or the page you received this PDF. If you would like to use one with more options, we recommend [realtor.com](https://www.realtor.com)

## ***Value Proposition:***

Assuming a 3% appreciation rate, the property would be worth **\$408,680** after 4 years, a net value of **\$34,680** for you!

Other advantages/considerations:

- Parking
- Noise control
- Pet ownership
- Roommate choice
- Safety
- Eliminating the stress of searching for housing each year
- Place to stay when you visit Fayetteville

If you have several children that will attend the University of Arkansas, the benefits compound!

**If you would like a custom analysis for your specific needs or just want to talk about the Razorbacks, give Lisa a call or send her an email!**

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